

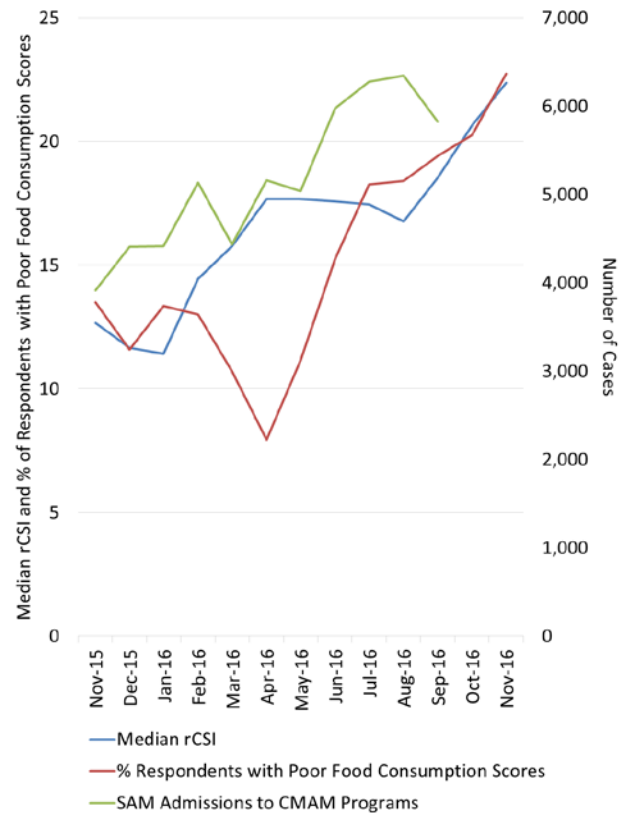
Improved humanitarian access and trade support needed to limit Famine risk

Conflict in Yemen is the primary driver of the largest food security emergency in the world, with 7 to 10 million people in Crisis (IPC Phase 3), or worse, and in need of urgent humanitarian assistance. Of this total, at least two million people are in Emergency (IPC Phase 4) and face an increased risk of mortality. In addition to the impact of conflict on household livelihoods, market functioning, and humanitarian access, the deteriorating macroeconomic situation is affecting the private sector's ability to import food. In a worst-case scenario, where food imports drop substantially for a sustained period of time or where conflict persistently prevents the flow of food to local markets, Famine (IPC Phase 5) is possible. To prevent this worst-case scenario, appropriate action is necessary to ensure that commercial food trade continues given that the country's high import dependency significantly limits the degree to which humanitarian response can ensure local food availability. Additionally, improved humanitarian access is needed so food, health, WASH, and nutrition assistance can continue and increase.

Since the onset of conflict nearly two years ago, oil and gas exports from Yemen have been well below pre-conflict levels or suspended. The decline in these exports, which contributed 45 percent of total government revenues in 2014, and a reduction in foreign investments and donor-supported development projects, have driven a rapid decline in Yemen's foreign reserves ([MPIC, March 2016](#)). While the official Yemeni rial to US dollar exchange rate has only depreciated 16 percent since the start of the conflict in March 2015, parallel exchange rates have depreciated much more substantially (42 percent according to [MPIC, Nov 2016](#)). Historically, the Central Bank of Yemen (CBY) has supported imports of fuel and food through lines of credit at the official exchange rate. However, this support was suspended for [fuel](#) in 2015 and for [rice and sugar imports](#) in early 2016. In December 2016, [major wheat importers reported that they would no longer be able to continue wheat imports](#) into the country, given financial challenges relating to both the CBY and the private banking sector. While [WFP](#) reports that imports to date have remained adequate to ensure local food availability, possibly due to an increase in overland, informal trade, a major reduction of food import levels, as indicated by wheat traders, would significantly and immediately impact food insecurity given that Yemen relies on imports to meet over 90 percent of its cereal supplies ([FAOSTAT](#)).

Though staple foods currently remain available on local markets, [elevated food prices](#) and reduced income from sources such as [farming, fishing, government salaries](#), and the [private service sector](#) have significantly weakened the purchasing power of many households. While recent data on food security outcomes is limited, [WFP's mVAM data](#) and various rapid assessments suggest severe levels of food insecurity, in line with Crisis (IPC Phase 3) or Emergency (IPC Phase 4), in western areas. Food security outcomes are likely most severe in Ta'izz, southern coastal areas of Al Hudaydah, and amongst IDP populations.

Figure 1. Evolution of food security and nutritional outcome indicators over time in Al Hudaydah (3-month moving averages)



Source of data: WFP's mVAM surveys, UNICEF

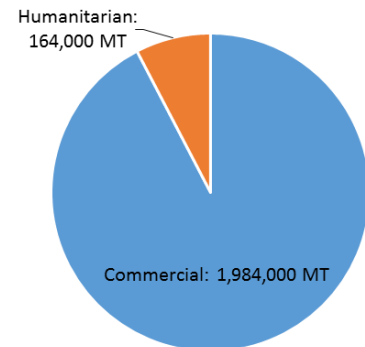
Levels of acute malnutrition also remain very concerning. The prevalence of acute malnutrition is persistently high (>15 percent GAM) in Yemen and recent SMART surveys do not indicate any major deterioration in the prevalence of global acute malnutrition (GAM) compared to pre-conflict levels (with the exception of lowland areas of Ta'izz). However, the coverage of these surveys has been limited and both admissions data from nutrition treatment programs and key informant reports indicate a sharp increase in the number of children identified as severely malnourished in some areas compared to pre-conflict levels. For example, the number of children with severe acute malnutrition (SAM) admitted to treatment programs in Al Hudaydah has increased by roughly 40 percent compared to 2014 and 2015 levels. Similarly, WFP's mVAM surveys suggest deteriorating food security outcomes in this governorate (Figure 1).

Based on an assessment of the limited available evidence, FEWS NET estimates that 5 to 8 million people face Crisis (IPC Phase 3) and at least two million people face Emergency (IPC Phase 4). Large-scale food assistance, including [WFP's assistance to an average of 3.5 million beneficiaries](#) per month during the months of September and October 2016, is playing an important role in mitigating food insecurity in many areas. However, it is not sufficient to meet Yemen's current needs. Should conflict, commercial import levels, and humanitarian and market access continue at current levels, the size and severity of the current emergency is expected to persist during 2017.

In a worst-case scenario, commercial traders will be unable to access the credit and hard currency required to maintain large-scale wheat imports. Food availability would therefore decline sharply and already poor food consumption and nutritional outcomes would deteriorate further. In this scenario, Famine (IPC Phase 5), and the associated levels of excess mortality, would be possible. Given that imports by humanitarian actors currently make up only 5 – 15 percent of total formal food imports into Yemen (Figure 2), it is very unlikely that the humanitarian community would have the capacity to fill the very large import gaps which would exist in this scenario. Given the severity of current food security outcomes, Famine (IPC Phase 5) could also occur if conflict cuts off populations from trade and humanitarian assistance for an extended period of time.

To mitigate severe, ongoing food insecurity and prevent Famine over the coming year, the international community and local actors must protect the ability of private traders to import staple food. In addition, more resources are needed to support the continuation and expansion of humanitarian response. Finally, continued access to conflict zones for traders and humanitarian actors is essential to ensure that food and assistance that reaches Yemen can move from points of entry to local communities.

Figure 2. Commercial and humanitarian food imports between June and November 2016 (MT)



Source of data: [Logistics Cluster](#)